

NATIONAL CANNERS ASSOCIATION

INFORMATION LETTER

PUBLICATION OR REPRODUCTION NOT PERMITTED

No. 450

Washington, D. C.

April 16, 1932

CONSUMER COMPLAINT SERVICE EXTENDED

As an extension of the consumer complaint service, the Administrative Council of the Association, on March 30, 1932, approved a plan to transfer to three trustees the sum of \$50,000 from the Reserve Fund of the Association, to be used by these trustees in their discretion in payment of judgments or settlements in excess of \$3,000 and not over \$25,000 in connection with claims of illness or injury arising subsequent to April 1, 1932, and involving the canned products of members in good standing.

The trustees are to be E. B. Cosgrove of the Minnesota Valley Canning Company, Albert M. Lester of the California Packing Corporation, and Joseph N. Shriver of the B. F. Shriver Company.

Their duties and powers are to be set forth in a trust indenture, the form of which has been approved by the Administrative Council and which is to provide that no payment will be made on any claim or judgment unless the canner whose product is involved was a member in good standing at the time the injury or illness occurred. It is further provided that in determining whether or not to make payment the trustees may consider whether the member whose product is involved has complied with the By-Laws of the Association, its recommendations for the preparation of canned foods, and with approved canning practices; whether the canner or distributor has given prompt notice of the complaint to the Association and has cooperated in its defense; whether the member has followed any recommendation of the trustees in regard to a settlement of the claim or suit, and whether it is for the best interests of the canning industry to make such a payment.

In the case of any member who joins the Association after April 1, 1932, no payment is to be made by the trustees on any claim involving canned food packed by such a member more than one year before his admission to membership in the Association. It is further provided that in no case are the trustees

to make payment for injuries sustained or on account of a suit brought in any place other than continental United States, Alaska, the Hawaiian Islands, Canada, and Newfoundland, but the Association has retained the right to broaden this limitation.

Since 1910 the Association has investigated all consumer complaints involving products of its members, and since 1923 has defended suits in connection with such claims, whether brought against the canner or distributor, if the Association's counsel approved such defense. The Association has paid the expense of investigating such complaints, the lawyers' fees and expenses, and fees and expenses of medical and bacteriological experts when the Association's counsel considers their testimony necessary in defending the suits.

In the past two or three years the number of claims reported to the Association attributed to canned foods has greatly increased. Although a large proportion of these claims proved unfounded, the situation has caused much concern among canners and distributors, and the Administrative Council of the Association has therefore established this trust fund as extension of the service heretofore rendered.

The Association desires the support of its members and their distributors in carrying out its well-established policy of recommending that claims shall be contested rather than settled where upon investigation they appear to be unfounded. It is hoped that the members of the Association will not settle cases without first consulting the Association as to the possibilities of defense.

The Association will continue to investigate complaints and to furnish legal assistance as heretofore. The work of the Association in this regard will be greatly helped if members will report promptly all claims involving their products. The extension of this service by the establishment of the trust fund for the payment of certain claims and judgments involves no additional cost to the members.

BY-LAWS OF THE ASSOCIATION AMENDED

Two amendments to the By-Laws of the Association were adopted by the Administrative Council at its meeting in Chicago on March 30th, these amendments being necessary to define the term "good standing" as used in connection with the extension of the consumer complaint service. The first amendment is a new paragraph (5) added to Article IV, and it provides:

"No member who has been suspended shall be considered a

member in good standing until the termination of such period of suspension. No member whose dues are in arrears after ninety days from the date when any statement of account is mailed by the Association shall be considered as being a member in good standing until such dues have been paid in full."

The second amendment revises paragraph 2 of Article IV so that it reads:

"The dues of the active members of the Association shall be fixed by the Board of Directors within ninety days after January 1st of each year, which dues shall be due and payable quarterly."

CHICAGO SELECTED FOR CONVENTION

President Marc C. Hutchinson has announced the selection of Chicago as the location of the 1933 annual convention. The headquarters will be at the Stevens Hotel. With reference to the selection of Chicago, President Hutchinson stated:

"Chicago was chosen for the next convention only after careful consideration of the problem from every angle. The attendance of canners at the convention greatly increased after the annual meeting was first held in Chicago, and even under the depressing conditions of 1932 the attendance as measured by number of firms represented was maintained, although these firms did not have so many individuals present.

"The membership of the Association is widely distributed over the entire country. Owing to its central location Chicago is but one night's ride distant from practically all points except the Far West.

"For the next convention, the Stevens Hotel has offered room rates much reduced from those of previous years.

"All things considered, Chicago offers advantages that I feel make it the logical choice for our next convention."

HEARING ON McNARY-MAPES STANDARDS

The hearing on proposed amendments of the regulations and standards under the McNary-Mapes amendment, held at the U. S. Department of Agriculture on April 14, drew a representative attendance of both canners and importers. There was detailed discussion of each of the changes proposed in the Food Administration's announcement of the hearing. In a number of these the canners' representatives in attendance fully concurred. As to others, definite information was submitted to show that the proposed changes should be modified. All of the suggestions will be taken under consideration by the Food Ad-

ministration in formulating such revisions as it may finally approve.

In opening the hearing, Mr. W. G. Campbell, Director of Regulatory Work for the Department of Agriculture, explained the limitations imposed by Congress on the regulatory activity of the officials and emphasized that because the standards for canned foods when once promulgated have the effect of law, the exact wording of these standards must be given careful consideration. He also pointed out the impracticability of establishing administrative tolerances under the standards that are promulgated.

WORDING OF LEGEND.—The first two hours of the hearing were devoted to discussion of the wording to be used on the substandard labels. Cannerymen of vegetables urged that the old form be continued. Fruit canners were in favor of the proposed modifications. There was considerable discussion about other variations in the wording. It was proposed to use the first line of the legend "Below U. S. Standards" followed by a second line stating in what particular the single product bearing this legend falls below the standard. For example, "Below U. S. Standard—Contains Excess Peel." Mr. Campbell stated that he could see no objection to the use of one form of wording on vegetables and another form on fruits, and possibly still other forms on other classes of foods. It was requested that the size of type specified for a No. 2½ can be permitted on all larger cans also. It was felt that the statement would be sufficiently conspicuous. Mr. Campbell restated the position of the Department about the use of old labels. The substandard legend may be over-printed on such old labels, provided the character of the label is such that the substandard legend will be plain and conspicuous. Each case must be considered on its particular merits.

FILL REQUIREMENTS.—Information was submitted showing that the 90 per cent fill requirements suggested cannot be used with flat cans. The suggestion was made that cans less than three inches high should be required to have not more than a seven-sixteenths inch gross headspace measured from a straight edge across the top of the can instead of the 90 per cent fill requirement. Another memorandum was submitted showing that dry pack shrimp will not meet the 90 per cent fill requirement, and a requirement of 80 per cent on such a product was suggested.

FRUIT STANDARDS.—The reduction in put-in weight requirement from two-thirds to 60 per cent was not considered necessary by certain groups, but no objection was made to this change.

Regarding the color requirement as applied to canned pears, attention was called to the product known as spiced pears where the added spice causes a noticeable variation in the color. Mr. Campbell stated that this was an unusual product and the statement on the label that such a product was not ordinary canned pears but was in fact spiced pears would convey the necessary information to the consumer without the necessity for a sub-standard legend.

Canners of freestone peaches stated that it might not be possible for them always to meet the requirements for normal size. It was suggested that this might be covered in the exception for such peaches. Instead of the suggested requirement for uniform size based on a 25 per cent variation from the average weight of the unit, it was proposed to consider the variation of the smallest and largest units in the can. One proposal was that the weight of the largest piece be not more than 80 per cent greater than the weight of the smallest piece in the can. This would be distinctly easier for the examiner, and the suggestion appeared to be favorably received. Instead of the proposed changes regarding the requirement for hard pieces and for broken pieces, a suggestion was made that a tolerance of one piece in each can should be allowed before the proposed requirement of 90 per cent be applied.

There was considerable discussion about the use of the term "Water Pack," "Packed in Water," or merely "In Water." Permission was requested to add another optional term either "Packed without Sugar," or "Unsweetened." The administration officials asked for an expression of opinion as to which term would more accurately convey the information to the consumer. The use of such canned foods for diabetic patients was pointed out. One of the representatives of the consumer groups was sure that such a term as "Packed without Sugar," or "Unsweetened" would give more definite information to the housewife.

Practically the same comments were made about canned apricots as had been made about canned peaches and pears.

VEGETABLE STANDARDS.—There was some discussion about the proposed change in the requirement for discolored peas. It was brought out that there might be in a single can 4 per cent by count of discolored peas, such as brown or spotted peas, and an additional 4 per cent of light yellow or white peas, making a total of 8 per cent discolored peas in a single can. In grading peas in Wisconsin an occasional thistle bud is counted as a discolored pea. The proposed additional paragraph regarding immature

peas and the use of a salt solution of 1.13 specific gravity was entirely eliminated because the Department investigators had found that an occasional lot of immature peas might respond to such a test in a manner that would indicate that they were fully mature. Those present at the hearing expressed themselves as being in favor of such a test if a satisfactory procedure can be worked out. They requested that the Department continue its investigations. Regarding the hardness test, the Department officials said that the wording of this requirement would be slightly changed to make it plain that if either cotyledon in a single pea was hard by this test, the entire pea would be classed as hard. The Department proposed to add a requirement for cloudy liquor in canned peas. The canners present requested more time to study this question before the requirement is put into effect.

The change in drained weight requirements for canned tomatoes from 45 per cent to 50 per cent is impracticable, it was suggested, in the case of No. 10 cans. It was stated that the great variation in the character of tomatoes from season to season and from one variety to another, together with the breaking down of tomatoes on several successive shipments in interstate commerce, made a 50 per cent drained weight requirement too severe.

The change in the requirement for the color of canned tomatoes suggested by the Food Administration is as follows: Change the Munsell color disk areas from 33 per cent red to 40 per cent red and from 33 per cent yellow-red to 30 per cent yellow-red. This means more red and less yellow.

Explanation was made of the proposed change in the method of measuring unsightly blemishes. Most of the blemishes are comparatively thin and the area is easily measured, but certain of the blemishes are thick and such blemishes are measured by taking the maximum shadow, or silhouette, of such a blemish.

There was considerable discussion of a proposal, submitted by canners, to change the present requirements regarding skin in canned tomatoes. This proposal would allow an average of not more than one square inch per pound for several cans, but no single can might contain more than three square inches of skin per pound of net contents.

HEARING ON STRAINED TOMATO PRODUCTS DEFINITIONS

Canners from different sections of the country, as well as importers of tomato paste, were represented at the hearing on definitions of strained tomato products held before the Food

Standards Committee on April 13th at the Department of Agriculture. There were under consideration the proposed definitions for strained tomato, tomato puree or pulp, tomato sauce or "salsa," and tomato paste or "pasta."

It seemed to be agreed that tomato pulp or puree should have a concentration of at least 8.37 per cent tomato solids as suggested by the Standards Committee. The representatives from California requested that the use of the term "puree" in connection with the California tomatoes packed with added puree should be given separate consideration.

The term "tomato sauce" is an indefinite term and the product prepared by different manufacturers varies greatly in composition. Those present felt that a standard for tomato sauce should not be included with this group of definitions for tomato products.

Tomato paste, "salsa," or "salsa di pomodoro," represents a distinctly thick tomato product containing not less than 22 per cent by weight of tomato solids. Several suggestions were made for names and tomato solids concentration for products heavier than the paste or salsa mentioned above. The different sections had somewhat different ideas about this particular point.

The Standards Committee requested an expression of opinion from those present regarding the use of the residues from the manufacture of tomato juice for the preparation of tomato products. It was brought out that the use of such residues has only come about since the manufacture of tomato juice has become widespread. The chairman of the Standards Committee pointed out that their task was to establish the identity of the material used in the preparation of tomato products.

There was some discussion about the use of sodium bicarbonate to neutralize a portion of the acidity in the highly concentrated tomato products.

SUBSTANDARD PRODUCTS MUST BE LABELED

The question has again been asked as to the position of the Food Administration with respect to canned foods shipped unlabeled in interstate commerce, in so far as the requirements of the McNary-Mapes Amendment are concerned. As Congress failed to enact into the McNary-Mapes Amendment any exempting provision for unlabeled canned foods, the Food Administration therefore takes the position that substandard or slack-filled products must be labeled with the designated legends when shipped in interstate commerce.

EXAMINER RECOMMENDS RATE CHANGES

In a report proposed by Examiner Johnson, it is recommended that the Interstate Commerce Commission find justified the proposal of carriers to put into effect on canned goods moving from Texas ports to destinations in the Southwest to which the specific rate of 47.5 cents per 100 pounds does not now apply, the domestic rates prescribed in the Southwestern Revision (or 13535 scale) plus port service charges.

According to the examiner's report, the records show that the 47.5 cent rate is substantially below the level of the Southwestern Revision scale rates plus terminal charges, and that the Southwestern Revision scale basis plus terminal charges are on the whole lower than existing rates.

FOREIGN CURRENCY DEPRECIATION INVESTIGATION ORDERED

The Senate on April 12 adopted the resolution introduced by Senator Reed directing the U. S. Tariff Commission to investigate the effect of the depreciation of foreign currencies since the enactment of the 1930 tariff upon the importation into and exportation from the United States of the more important commodities, also to compute and report to the Senate the ad-valorem equivalents of specific duties imposed by the 1930 tariff. The resolution also provides for the appointment of a select committee of six Senators to conduct an investigation along the same lines as that to be made by the Tariff Commission.

Upon completion of the hearing on bonus legislation the House Ways and Means Committee, it is stated, will hold hearings on bills introduced proposing to amend the anti-dumping act and to levy additional duties to compensate for depreciation in foreign exchange. The date of these hearings has not yet been fixed.

TRUCK CROP SHIPMENTS

Shipments of peas held about steady during the week ended April 9, with a total of 320 cars from California. Movement of spinach was again becoming active in Virginia, with 45 carloads from that state and 250 from Texas. Cauliflower shipments from California decreased to 100 cars. Texas' output of carrots increased to 90 cars, while California decreased to 135.

Forwardings of new stock cabbage increased considerably last week to a total of 695 cars. Texas' output increased to about 290 cars and South Carolina reached 170, with 130 cars from Alabama and 30 from Louisiana. Florida decreased to about 50 cars.

Florida tomato shipments decreased slightly to 320 cars for the week; Cuba sent only 55 and Mexico dropped to about 200 carloads.

Shipments of asparagus have now begun in Washington and Nevada. Movement from California increased to 665 cars, while Georgia and South Carolina together forwarded about 40 cars. Total movement was 300 cars greater than that of a year ago.

Total shipments of 27 fruits and vegetables increased to about 15,100 cars, but were still 1,000 less than last year.

CARLOT SHIPMENTS

Commodity	April 3-9 1932	Mar. 27- April 2 1932	April 5-11 1931	Total this season thru April 9	Total last season thru April 11	Total last season
Apples, total	846	1,089	672	96,510	105,081	109,794
Western states	544	699	513	43,159	62,649	66,538
Eastern states	302	390	159	53,351	42,432	43,256
Asparagus	711	632	430	1,970	2,120	3,866
Beans, snap and lima	56	52	166	5,907	2,796	9,345
Beets	41	50	75	739	895	1,600
Cabbage:						
1932 season	604	549	753	8,003	10,885	37,791
1931 season	14	29	23	37,791	38,186	38,204
Carrots:						
1932 season	225	195	232	4,061	5,514	11,413
1931 season	17	20	41	11,413	11,963	12,437
Cauliflower	107	156	106	8,975	9,012	9,611
Greens (except spinach)	112	104	74	2,722	1,446	1,633
Mixed vegetables:						
Domestic	662	608	791	9,671	11,082	28,531
Imports	13	8	13	102	254	298
Pears	59	30	42	19,844	28,548	28,828
Pears, green:						
Domestic	318	315	262	1,592	2,060	7,184
Imports	0	1	0	1,236	1,344	1,344
Peppers:						
Domestic	61	55	39	1,458	1,331	2,816
Imports	0	7	23	114	296	360
Spinach	300	265	343	7,001	8,123	9,767
Strawberries	65	77	255	1,862	1,911	13,637
Tomatoes:						
Domestic	322	369	154	4,111	2,193	27,843
Imports	254	304	330	3,326	4,601	5,763

CAR LOADINGS

	Total	Miscellaneous	Merchandise L. C. L.	Other
Week ended April 2	544,961	192,535	186,489	165,937
Previous week	561,118	186,842	185,343	188,933
Corresponding week, 1931	727,852	283,574	225,423	218,855
Corresponding week, 1930	908,059	378,302	254,916	274,841

SENATE COMMITTEE REPORTS HALIBUT FISHERIES BILL

The Senate Commerce Committee has reported without amendment the bill (H. R. 8084) passed by the House, to make effective the provisions of the convention between the United States and Canada for the preservation of the halibut fisheries of the North Pacific Ocean.

BUSINESS INDICATORS

(Weeks ended Saturday; weekly average 1923-1925=100)

	1932			1931		1930	
	April 9	April 2	Mar. 20	April 11	April 4	April 12	April 5
Composite Index:*							
New York Times	60.3	†60.5	80.1	80.2	96.6	96.5	
Business Week	55.0	†50.8	78.4	79.7	96.6	96.0	
Freight car loadings	56.8	58.5	77.0	75.9	95.1	94.9	
Wholesale prices (Fisher's):							
All commodities	62.5	62.9	63.1	75.2	75.3	91.3	90.8
Agricultural products	45.3	45.8	46.2	65.6	66.2	90.4	95.8
Non-agricultural products	66.0	66.1	66.0	77.8	77.6	89.0	88.6
Bank debts outside N. Y. City	86.5	86.8	84.2	93.7	102.0	121.2	140.9
Bond prices	83.9	87.5	80.7	106.9	107.2	106.4	106.5
Stock prices	69.6	67.3	71.7	155.8	158.3	248.8	245.1
Interest rates:							
Call money	60.6	60.6	60.6	38.3	36.4	97.0	97.0
Time money	68.6	68.6	70.9	50.5	45.7	102.9	97.1
Business failures	149.1	149.9	154.3	133.9	134.9	121.4	123.6

* Relative to a computed normal taken as 100.

† Revised.

COLD STORAGE HOLDINGS OF FRUIT

The following table shows the holdings of fruit in cold storage reported to the Bureau of Agricultural Economics as of April 1, also a comparison with last year and with a five-year average:

	April 1 1932	April 1 1931	5-year average
Apples:			
Barrels	371	200	624
Boxes	5,886	6,852	5,221
Baskets	2,751	1,300	1,203
Pears:			
Boxes	249	403	290
Baskets	37	8	12
Frozen and preserved fruits (pounds)	78,177	60,822	46,308

CUBAN EXPORTS OF PRESERVED FRUITS

According to the acting commercial attache at Habana, shipments of preserved fruits from Cuba declined during 1931. Exports of canned and otherwise preserved pineapples, representing almost the entire volume of these exports amounting to 6,298,650 pounds valued at \$629,737 in 1930, dropped to 3,313,470 pounds valued at \$234,359 in 1931.

JAPANESE SARDINE PRODUCTION

The recent change in the French tariff, it is believed, will give the Japanese an advantage over Americans in supplying tinned sardines to France, according to the assistant trade commissioner at Tokyo. The Japanese Tinned Food Association realizes that France may become a very important market and

during 1931 shipped to France some 7,000 cases packed in tomato sauce. Reports from French purchasers indicate that, with the exception of the color of the sauce, the product was satisfactory. Japanese manufacturers intend to use Italian tomato paste this year to overcome this dissatisfaction. It is also believed possible to improve the quality of Japanese tomato sauce so that in the future the domestic product may be used.

The 1932 production of sardines for export is expected to be 20,000 cases packed in tomato sauce and 5,000 cases packed in oil.

PRODUCTION OF CANNED PINEAPPLES IN FIJI

The 1931-32 canning season opened in December, 1931, and up to January 31 the production of the two factories operating in Fiji was 4,870 cases, consisting of 3,483 cases of sliced pineapples and 1,387 cases of crushed pineapples, according to the American consul at Suva.

The Fiji Pineapple Company, the first to enter the Fijian field, closed down after packing about 1,200 cases in December, 1931. The company still has about 10,000 cases of the 1930-31 pack unsold and began the 1931-32 canning season with insufficient capital and cash reserves on hand to purchase cans for the new pack. The supply of cans on hand was used up before the company stopped operations. This company was unable to carry out its contracts with Fijian, European, and Chinese planters and about 1,400 tons of pineapples, or the equivalent roughly of 40,000 cases of canned fruit, is rotting in the fields.

The West Coast Pines Limited, operating on the west coast of Vitilevu, is canning the fruit on the west side as it ripens. The officials of the company report fruit coming in slowly because of dry weather, and the indications are that the summer packing season will extend into the winter season when the second crop comes in.

The West Coast Company has already sold this season's pack in New Zealand and Canada. Inquiries from Canada indicate brokers in Vancouver will require 12,000 cases of Fijian pineapples whereas the company estimates this season's pack at 8,700 cases, consisting of 6,200 cases of sliced pineapple and 2,500 cases of crushed pineapple.

Up to January 31, 1932, the pack of this company amounted to 3,670 cases, of which 2,583 cases were sliced and 1,087 cases crushed.

SCHEDULE OF CANNING CROP REPORTS

Following is a schedule of the canning crop reports to be issued during April, May, June and July. The closing date as given in this schedule is the date upon which the Division of Crop and Livestock Estimates starts its tabulation of the data received from reporters. The reports are made public usually about three days later.

MAY

	Closing date
Lima beans: Intended acreage.....	May 6
Beets: Intended acreage.....	May 6
Peas, green: Preliminary estimate of acreage.....	May 20
Pimientos: Intended acreage.....	May 20
Spinach: Preliminary acreage.....	May 6
Condition:	
Peas on May 1.....	May 6
Peas, snap beans and sweet corn on May 15.....	May 20

JUNE

Beans, snap: Preliminary acreage.....	June 20
Peas, green: Revised acreage and forecast of production.....	June 20
Condition:	
Canning crops on June 1.....	June 6
Canning crops on June 15.....	June 20

JULY

Beans, snap: Revised acreage and forecast of production.....	July 6 and 20
Beets: Preliminary estimate of acreage.....	July 6
Cabbage for kraut: Preliminary acreage.....	July 6
Corn, sweet: Preliminary acreage.....	July 20
Cucumbers for pickles: Preliminary acreage.....	July 6
Green peas: Forecast of production.....	July 6 and 20
Pimientos: Preliminary estimate of acreage.....	July 17
Tomatoes: Preliminary estimate of acreage.....	July 6
Condition:	
Canning crops on July 1.....	July 6
Canning crops on July 15.....	July 20

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